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awarded under the written contract executed in accordance with § 17.602. Payment of this amount must be made within 1 year from the date academic training terminates unless a longer period is necessary to avoid hardship. No interest will be charged on any part of this indebtedness.

(Authority: 38 U.S.C. 7617(b))

(c) Participants who breach their contracts by failing to begin or complete their service obligation (for any reason) other than as provided for under paragraph (b) of this section are liable to repay the amount of all scholarship funds paid to them and to the school on their behalf, plus interest, multiplied by three, minus months of service obligation satisfied, as determined by the following formula:

$$A=3\Phi \left(\frac{t-s}{t} \right)$$

in which:

'A' is the amount the United States is entitled to recover;

' Φ ' is the sum of the amounts paid to or on behalf of the applicant and the interest on such amounts which would be payable if, at the time the amounts were paid, they were loans bearing interest at the maximum legal prevailing rate, as determined by the Treasurer of the United States;

't' is the total number of months in the applicant's period of obligated service; and

's' is the number of months of the period of obligated service served by the participant.

The amount which the United States is entitled to recover shall be paid within 1 year of the date on which the applicant failed to begin or complete the period of obligated service, as determined by the Secretary.

(Authority: 38 U.S.C. 7617(c)(1)(2))

(Approved by the Office of Management and Budget under control number 2900-0352)

[47 FR 10810, Mar. 12, 1982; 47 FR 13523, Mar. 31, 1982, as amended at 48 FR 37400, Aug. 18, 1983; 54 FR 28676, July 7, 1989; 54 FR 46611, Nov. 6, 1989; 61 FR 24237, May 14, 1996]

§ 17.611 Bankruptcy.

Any payment obligation incurred may not be discharged in bankruptcy

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under title 11 U.S.C. until 5 years after the date on which the payment obligation is due.

(Authority: 38 U.S.C. 7634(c))

[47 FR 10810, Mar. 12, 1982]

§ 17.612 Cancellation, waiver, or suspension of obligation.

(a) Any obligation of a participant for service or payment will be canceled upon the death of the participant.

(Authority: 38 U.S.C. 7634(a))

(b)(1) A participant may seek a waiver or suspension of the service or payment obligation incurred under this program by written request to the Secretary setting forth the basis, circumstances, and causes which support the requested action. The Secretary may approve an initial request for a suspension for a period of up to 1 year. A renewal of this suspension may also be granted.

(2) The Secretary may waive or suspend any service or payment obligation incurred by a participant whenever compliance by the participant (i) is impossible, due to circumstances beyond the control of the participant or (ii) whenever the Secretary concludes that a waiver or suspension of compliance would be in the best interest of the Department of Veterans Affairs.

(Authority: 38 U.S.C. 7634(b))

(c) Compliance by a participant with a service or payment obligation will be considered impossible due to circumstances beyond the control of the participant if the Secretary determines, on the basis of such information and documentation as may be required, that the participant suffers from a physical or mental disability resulting in permanent inability to perform the service or other activities which would be necessary to comply with the obligation.

(Authority: 38 U.S.C. 7634(b))

(d) Waivers or suspensions of service or payment obligations, when not related to paragraph (c) of this section,

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and when considered in the best interest of the Department of Veterans Affairs, will be determined by the Secretary on an individual basis.

(Authority: 38 U.S.C. 7634(b))

[47 FR 10810, Mar. 12, 1982]

VA HOMELESS PROVIDERS GRANT AND PER DIEM PROGRAM

SOURCE: 59 FR 28265, June 1, 1994, unless otherwise noted.

§ 17.700 Purpose and scope.

(a) *General.* The VA Homeless Providers Grant and Per Diem Program is authorized by sections 3 and 4 of Pub. L. 102-590, the Homeless Veterans Comprehensive Service Programs Act of 1992. The VA Homeless Providers Grant and Per Diem Program is designed to assist eligible entities in establishing new programs to furnish outreach, rehabilitative services, vocational counseling and training, and transitional housing assistance to homeless veterans. Section 3 of the Act provides for grants to eligible entities of up to 65 percent of the estimated cost to construct, expand, remodel or alter existing buildings; to acquire facilities for use as service centers, transitional housing or other facilities to serve homeless veterans; or to procure vans to provide transportation for and support outreach to homeless veterans. A grant may not be used to support operational costs. In addition, § 4 of Pub. L. 102-590 authorizes VA to provide to a recipient of a grant under § 3 (or entity eligible for such a grant as described in § 17.716 of this part) per diem payments for homeless veterans whom VA has referred to that entity; or for whom VA has authorized the provision of services. In lieu of per diem payments, VA may provide in-kind assistance through services of VA employees and the use of other VA resources. This program does not provide for funding to acquire buildings located on VA-owned property. The program does provide for grant funds to be used to construct, expand or remodel buildings located on VA-owned property.

(b) *Components.* (1) Grants may be used for the three components described in § 17.702:

(2) Grant recipients or eligible entities may apply for per diem payments or receive in-kind assistance through VA as described in § 17.715.

(3) Applicants may apply for a grant for more than one component described in § 17.702 and/or per diem payments.

[59 FR 28265, June 1, 1994, as amended at 60 FR 10504, Feb. 27, 1995; 62 FR 6121, Feb. 11, 1997]

§ 17.701 Definitions.

As used in this part:

Area or community means a political subdivision or contiguous political subdivisions (such as precinct, ward, borough, city, county, State, Congressional district, etc.) with a separately identifiable population of homeless veterans.

Capital lease means a lease that satisfies one of the following criteria:

(1) The lease transfers ownership to the lessee at the expiration of the lease term.

(2) The lessor bears no risk.

(3) The term of the lease exceeds 75 percent of the economic life of the asset.

(4) The lease contains a bargain purchase option.

(5) The present value of lease payments is equal to or greater than 90 percent of the fair market value of the asset.

Eligible entity means a public or non-profit private entity with the capacity to effectively administer a grant under this section; which has demonstrated that adequate financial support will be available to carry out the project for which the grant is sought consistent with the plans, specifications and schedule submitted by the applicant; and which has agreed to, and has demonstrated the capacity to, meet the applicable criteria and requirements of the grant program.

Expansion of an existing building means an addition to an existing structure that does not increase the floor area by more than 100 percent.

Federally recognized Indian tribal government includes the governing body or a governmental agency of any Indian tribe, band, nation, or other organized group or community (including any Native village as defined in section 3 of the Alaska Native Claims Settlement